

done of

PC S Scan and

Sed to

- Jerry Abusse
- Dine Garcia
- Gregg Kirkpatrick
- Bob Smith (CB)

Thx

SW



Corporate Headquarters

Alan J. Pyenson
Vice President

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FAX TRANSMITTAL

To: Stephane Wandel
Company: Boeing Realty Corporation
Fax No.: (562) 733-2082
From: Alan Pyenson
Date: September 27, 2005
Subject: Agreement of Purchase of Real Property
3100 Lomita Boulevard, Torrance, CA

of Pages: 4 (including cover sheet)

Comments:

cc: Steven Lurie

Transmitted by Theresa Herich
If you have any problems with this transmittal, call (310) 618-3600
ORIGINAL WILL BE MAILED



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September 27, 2005

Alan J. Pyenson
Vice President

Mr. Stephane M. Wandel
Real Estate Manager
Boeing Realty Corporation
4900 E. Conant Street, Building 1
Long Beach, California 90808-1746

RE: Agreement For Purchase of Real Property and
Joint Escrow Instructions ("Agreement")
3100 Lomita Boulevard, Torrance, California

Dear Mr. Wandel:

We have reviewed the above referenced document and the following list describes important issues that are required by SC Enterprises, or its nominee ("Buyer"), to be resolved by Boeing Realty Corporation ("Seller") before we are prepared to move forward on a proposed purchase of the property. These are the major deal points and the Buyer reserves the right to discuss further issues in the Agreement at a later date should we be able to come to terms on the following:

1. Sections 1.1 and 5.9: Seller's obligations under the Agreement should not be conditioned upon Seller's acquiring fee title and terminating the ground lease. Instead, Seller should be obligated to acquire fee title and terminate the ground lease.

In lieu of the above, Buyer is also interested in exploring having the Seller assign its interest in the ground lease to Buyer. We will need to obtain and review the ground lease before we determine if this is an alternative.

2. Sections 4.2 and 4.3.2: It shall be agreed that Buyer's failure to notify Seller of its approval of a contingency item should be deemed its disapproval of the item.
3. Sections 4.8 and 6.3.5: Buyer's obligations should be contingent upon L-3 Communications signing the estoppel certificate (as well as Boeing Satellite Systems). Seller shall not have the right to substitute its own estoppel certificate in lieu of the ones signed by the tenants. Also, obtaining SNDA's from the tenants will be a contingency.
4. Section 5.2: This section must be deleted as the issuance of the Title Policy is a matter of concern to the Buyer only.

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5. Section 5.5: This section must be deleted as it does not appear to be applicable to this transaction. Also, the Seller should approve Buyer's source(s) of funds before executing the Agreement.
6. Sections 4.7 and 5.7: The exhibits to the Bill of Sale should be agreed upon when the Agreement is executed, and be subject to revision based on changes that occur after the execution of the Agreement.
7. Section 7(b): Buyer needs a copy of the Shared Access License Agreement and the parking requirements imposed by the General Motors lease of the adjacent property known as Building 237 before determining if they are applicable to this transaction.
8. Section 8 and 14.7: Buyer must have the right of specific performance. If Buyer terminates the Agreement due to default by Seller, in addition to the Deposit being returned to Buyer, Seller shall be responsible for all escrow cancellation and title company charges, in addition to any other damages or remedies due the Buyer. Except as provided in the penultimate sentence of Paragraph 8.2, liquidated damages should in all circumstances be Seller's sole and exclusive remedy if the closing does not occur due to Buyer's breach of the Agreement.
9. Section 12.3: Documentary transfer taxes shall be paid by Seller instead of being Buyer's responsibility.

In addition, the following environmental conditions described in Article 9 must be addressed by Seller:

- a. Boeing's Environmental Indemnity obligations regarding the periods that they are to remain in place as described in Article 9 of the Agreement, shall not be commenced until such time that all remediation plans for the property have been approved by the authorized governmental agency and the remediation systems are determined to be functioning properly by an independent environmental consultant.
- b. Any part of the property twenty (20) feet beyond the edge of the contamination plume (as described in reports by Seller's consultants) will not be encumbered with the restrictions that are proposed in the remediation plan for the site.
- c. Buyer understands the requirement to maintain positive pressure in the buildings on a twenty four (24) hour basis. However, this obligation shall be eliminated at such time it is determined that the indoor air quality meets environmental safety standards.
- d. Boeing's consent to any excavation below twelve (12) feet must be reasonably exercised, not in Boeing's sole and absolute discretion.

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- e. Seller shall agree that all facilities required to be installed will be underground with the exception of the soil vapor extraction system equipment and groundwater recovering equipment.
 - f. The covenants and indemnification obligations of the Seller under Article 9 shall be assignable to any transferee(s) of the Property or any portion(s) thereof, any lender(s) secured by the Property or any portion(s) thereof, and/or any tenant(s) of the Property or any portion(s) thereof.
 - g. In Article 9.6.3 in the sentence stating that Seller shall use its commercially reasonable efforts to complete the required remediation (if any) the term "commercially reasonable efforts" shall be modified to say that Seller shall use commercially reasonable efforts to complete the required remediation up to an amount not to exceed one-third (1/3) of the purchase price.
10. L3 lease Letter Dated February 28, 2005 ("Letter"): Notwithstanding anything contained in the Letter and the lease, Buyer shall be entitled to collect rent as and when due. Seller shall be able to recapture the two (2) months' of rent which are allowed to be deferred by Tenant in January, 2007.

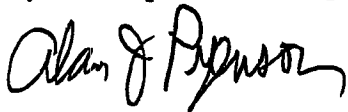
Stephane, we appreciate the detailed presentation Boeing and Hargis & Associates provided us and your openness in disclosing all environmental issues with the property. Additionally, if we are able to resolve the issues discussed, we would immediately start our review of the Due Diligence Documents as described in the indexes received at the meeting.

I will be glad to discuss this letter with you and/or the appropriate parties at Boeing to clarify or explain our position regarding the above matters.

Sincerely,

SC ENTERPRISES

By: Transpacific Development Company



Alan J. Pyenson
Vice President

AJP:th

cc: Shurl Curci